Webinar: Economic Census Update for the Retail and Wholesale Trade Sectors
June 25, 2020

Coordinator: Good afternoon and thank you for standing by. I'd like to inform all participants that your lines have been placed on a listen-only mode until the question-and-answer section of today's call. Today's call is also being recorded. If anyone has any objections you may disconnect at this time. I would now like to turn the call over to Mr. Andrew Hait. Thank you. You may begin.

Andrew Hait: Great. Thank you so much. So, again, my name is Andy Hait and I am here today with my colleague, Angelo Bonaccorsy, and Angelo today --and I today-- are going to be providing an update on the data that we have released so far from the 2017 Economic Census for the wholesale trade and the retail trade sectors, which are the North American Industry Classification System, or NAICS codes 42 and 44-45. This webinar is part of a series of webinars that we have been conducting starting back in January, and we will be ending the series in August.

So with that let me go ahead and turn it over to Angelo so he can talk a little bit about the Economic Census, exactly what it is, and then I'll come back and talk a little bit about some of the findings from this Economic Census, so Angelo, it's all yours.

Angelo Bonaccorsy: Thank you very much. Good afternoon everyone. My name is Angelo Bonaccorsy as Andy said. I am a Program Analyst for the Respondent Outreach and Promotion Branch here at the U.S. Census Bureau. And as you can see on the slide here, as (Andy) said also, this webinar is the 17th of our 20 part series that showcases data from the 2017 Economic Census. So you can see on Tuesdays we've been conducting these webinars with the focus on state-specific data, while our Thursday webinars are structured around specific

sectors, otherwise known as North American Industry Classification System, or as we're going to refer to it, NAICS codes.

All of our webinars are archived and available through our Census Academy Web page. That can be accessed by the link there at the bottom of the slide. Included for each are transcripts, audio files, and copies of the PowerPoint. So just in case you want to go back and revisit portions of this webinar, or if you're interested in one of our past selections, this is the place you want to go. It typically takes about a week for newly recorded webinars and their materials to post, so if you don't see what you're looking for right away please check back in a few days and it should be there for you.

Going to the next slide, so to kick things off here let's talk a little bit about the U.S. Census Bureau. I'm sure it comes as no surprise that we are currently in the middle of the 2020 decennial census. You may have also heard this referred to as the population census. We conduct this census every ten years and it is a complete count of everyone living in the United States. This census is the very first where we are collecting all responses, with a few exceptions, completely online. While this is clearly the largest and most public-facing duty the Census Bureau is responsible for, many don't know that that's not all that we do.

As the government's largest statistical agency every year we are responsible for conducting more than 130 monthly, quarterly, annual, and periodic surveys. These include demographic surveys like the American Community Survey, also called ACS, which provides demographic, socioeconomic, and housing data on an annual basis all the way down to the census tract level. This survey can help local officials, community leaders, and businesses understand the changes that are taking place in their communities.

Also every five years we do a complete census of governments. From this

census, we publish information on state and local government sectors including data on employment, wages, assets, revenues, and so on. It provides authoritative benchmark figures on public finance and public employment.

Finally, there is the Economic Census. The Economic Census is conducted every five years for the years ending with 2 and 7. This is a census of employer businesses, meaning businesses with one or more paid employees. This census also serves as the most extensive collection of data related to business activity. Around four million businesses, large, medium, and small across the U.S. will receive surveys that are tailored to their primary business activity, and the data produced can be an invaluable resource for industries. For example, trade associations rely on census data to measure key business facts they can use to gauge organizational structure and product trends. You can learn more about these through our Web site census.gov.

If you click over to the next slide, so, if you look on the right here, this pyramid graphic is a great illustration on how each of the different types of economic surveys relate to each other. For example, the Economic Census on the bottom of the pyramid sets the benchmark for the smaller surveys that are stacked above it. It is the least frequently conducted, yet it provides the most detailed and comprehensive list of business' data from which most other economic surveys pull their samples from.

The middle of the pyramid represents the 20 different types of annual surveys we conduct. They measure nearly every sector of businesses in the U.S. Their sample size is also the largest after the Economic Census and it gives us the most up to date trend data. These include surveys such as the Annual Survey of Manufacturers, Annual Retail Trade Survey, and the Annual Capital Expenditures Survey, just to name a few. The monthly and quarterly surveys at the top of the pyramid provide the timeliest data, but they are limited in the

amount of detail they provide because they have the smallest sample size. So another way to see it is that the wedge sizes of the pyramid coincide with the amount of data available in each.

We can go to the next slide. Okay so let's talk in a little bit more detail about the Economic Census. As I mentioned before this is the most detailed and comprehensive economic program that the Census Bureau has. Data are published for just about every two through six-digit NAICS code. I say just about because there are a few areas that are excluded from this, the largest one being agriculture data. Others include religious organizations, postal service, colleges and universities, and so on. And they're excluded because those data are published by their respective sectors and agencies. And we provided the link here that will give you a full list of codes and industries that are not covered in the Economic Census.

The Economic Census is also our most detailed survey in terms of geography. It provides data at the national and state level but also includes metro area data, county, and place data. In this instance, the term place refers to things like cities, towns and villages, and boroughs of at least 2,500 people or jobs. The data published from the Economic Census can also highlight the size of an establishment, firm, or franchise, also the most detailed program in terms of the amount of data variables we publish.

In all of our economic sectors we include the variables of establishments, employment, payroll, and sales. Also included, though, are variables that are specific to a given sector like inventories, assets, and expenses. Product lines data are data on detailed products and services provided by businesses. These data are also tailored to each specific industry, so for example, for grocery stores you can see things like the amount of each products they sell.

All of this data are available through a number of Census Bureau data platforms. Census Business Builder is a great tool to use to find demographic and economic data, which can all be tailored to your specific needs. There's also data.census.gov, which recently replaced American FactFinder as our enterprise data tool.

There are two other surveys I want to mention here: Survey of Business Owners and the Annual Survey of Entrepreneurs. These surveys produce data on race, ethnicity, gender, and veterans status of business owners. Because there was such a high demand for this data and since these surveys were only conducted every five years, they will soon be replaced by a survey called the Annual Business Survey. The Annual Business Survey will essentially produce the same types of data, the only difference being it will be released on an annual basis.

You can go to the next slide. Here we have a timeline showing when each new set of statistics will be publicly released. You can see we started rolling out 2017 Economic Census data back in September of last year and will continue through December of 2021. The red circled area here, geographic area statistics is where we currently are on the schedule, and you can see that includes wholesale and retail trade statistics which is why we're all here. These releases have data down to the local level and will be fully released by November of this year, and the link is listed below and will keep you up to date with the most current information we have.

Next slide. And we have a few handy resources available for you here. On the left we have an Excel file. That's a complete list of all of the states and sectors that have been released so far, and below that is another Excel document that lists all the publications expected to be released in the next 30 days. On the right we have an interactive infographic that displays the states and sectors that have

released data from the 2017 Economic Census. You can filter your state's results by choosing a specific sector from the drop-down menu, or you can select all to look at all the released sector data in any given state. The bottom right percentage clock, or percentage circle rather, will automatically refresh based on what you select. And all of these can be accessed by the link provided at the top of the slide.

With that I want to pass things back over to Andy who will talk about things that I maybe missed, and also go over some more key changes and findings for this sector. Andy?

Andrew Hait: Great. Thank you so much, Angelo. So before I move off of this slide I do want to mention one really nice feature about the infograph that's over on the right-hand side, and maybe even jump out live and show it to you live.

So getting to the detail data that users are interested in has historically been challenging for some users. We produce an amazing variety of data. Some of our data tools include hundreds of data programs and data sets in them, and identifying the particular data set that includes the data that you're interested in can sometimes be challenging for some users. So one of the things we did with this infograph is to actually insert links from this graphic into our brand new data.census.gov platform that allows users to get straight from this infograph right to the data they care for.

So let me quickly jump out live and I'll show you what we're talking about. So if I go to the Surveys and Programs menu on census.gov and choose Economic Census that'll bring us to the Economic Census homepage. Over here on the left-hand side is the link to that resource page that Angelo just showed you. If I go ahead and click on that you will then see that Excel file that provides a list of what's been released already. At the very bottom of the page is that Excel file

that contains a list of what's coming, and in between them we have this really nice graphic.

Now I will point out that this map looks a little tiny bit different than the one that we just concluded. This is what happens when data come out on a weekly basis. As of this morning at 9 o'clock in the morning we had released data for every single state in the U.S. Now you can notice that the peach-colored fill in each of these hexes identifies the percentage or the share of that state whose data we have released so far.

So for example, if I was interested in looking at the data for the state of Tennessee, I could put my cursor over the shape for Tennessee and it would provide a link of all the sectors that we've released data for, and as you can see we have released data for the wholesale and retail trade sectors in Tennessee. However, if I wanted to just look at wholesale or just look at retail, I could choose the Sector menu, choose retail trade, and now the map is going to show those states that we've released the data for the retail sector. And you can notice that there are a couple of states that we still have not yet released the retail data for. You'll actually see that in practice when we get to some data slides giving you some key findings.

But if I was interested in looking at the retail data for the state of Tennessee I could now come over to this link, click on it, and what the application is now doing is it's now bringing me straight to the data for retail trade in the state of Tennessee. You'll notice that the data are presented at the two, three, four, five, and six-digit NAICS code levels, so you have the full NAICS hierarchy at the state level. But many of you may be saying, "Okay well, this is all well and good. I'm glad you get me right to the data, but I actually care about the data for Davidson County," let's say, or another particular county, or maybe the city of Nashville. "How do I use this tool to get to that?"

Well, the way I can do that is I can go to the Geography menu, I can open that up, I can choose county, I can then scroll down and choose Tennessee from the menu, and then I can go ahead and choose the particular county that I'm interested in. So let's stick with my story here. I'm interested in looking at Davidson County, Tennessee, and now when I close this menu the application is now going to show me not only the data from the state of Tennessee but also Davidson County. So this visualization provides a really nice way for users to get to that detailed data that you all are truly interested in.

Let me jump back out to the PowerPoint file and let's talk a little bit more about the wholesale and retail sectors. These two sectors comprise establishments that are engaged in either wholesaling or retailing merchandise without any transformation of those merchandise. The wholesaler is not providing any kind of manufacturing operations typically to those goods that they are wholesaling, and in the same way the retail business is typically not transforming or changing the products that they sell.

These types of businesses also render services that are in some ways incidental to the sale of the merchandise. They may provide other kinds of things in their wholesale business or in their retail business, a packaging service or, you know, something along those lines, shipping services for retail businesses. But these two sectors really kind of work very closely together.

When you think about the goods that we buy in the United States, they typically start off with a manufacturer who makes them. That manufacturer then ships them or sells them to a wholesaler who then turns around and wholesales those goods to a retailer who then sells those goods to us. So that's sort of a process of moving goods from the manufacturer to us as the consumers is handled by these main two sectors.

Now these happen to be two of the largest sectors in the U.S. economy as you can see in this bar chart on the right-hand side. Retail trade is the number one sector in the United States in terms of the number of businesses, and as you can see there's a little over a million retail businesses in the United States.

One quick point I want to make about the Economic Census is that the Economic Census only publishes data, only collects and publishes data, for what we call employer establishments. These are businesses with one or more paid employees. We have a separate program at the Census Bureau called non-employer statistics that publishes data on non-employers or what we typically think of as self-employed people. In some sectors of the U.S. economy non-employers are, I guess I will say incidental. There are very few of them. It's hard to imagine a company headquarters - imagine a company (inaudible) businesses business as a non-employer. Almost by definition, company headquarters have employees.

Same thing with the finance and insurance sector. We typically think of banking as an industry that typically has employees, but there are sectors and there are industries within these sectors where non-employers are significant and that certainly is true when you think of the retail trade sector.

As we have been suffering through the COVID-19 pandemic many of you, I'm sure, have heard that there's certain types of businesses in the U.S. economy that have really taken a significant hit in terms of their sales and in their operation, their employment, etcetera. The accommodations and food services sector is certainly the one that we hear the most about, but we also can probably think of a lot of retail businesses that had to close because they were not able to stay open during the pandemic. Those businesses are just beginning to reopen and those monthly surveys that Angelo mentioned would be a great place to

check to see what's happening in the retail sector since this pandemic began.

Now looking at some key facts for this sector you can see that the wholesale trade sector is actually ranked tenth in terms of the number of locations, the number of establishments. It's ranked ninth in terms of the employment with about 1.5 million employees, where retail is the second-ranked employer sector with about 16 million employees of those employer establishments.

But this ranking of retail and wholesale against other sectors really changes quite a bit when you look at revenue or sales. The wholesale trade sector is actually our largest sector in the U.S. economy ranked first with total sales of about $8.5 trillion. Retail trade is actually the third-ranked sector. I believe - I have to verify this - but I believe that health care is actually ranked number two in terms of sales or revenue. So wholesale is certainly a dominant sector in the U.S. economy in terms of the sales of those establishments, and we'll actually see some of that when we get into the slides that provide a little bit of data about these two sectors.

So let's talk about the kinds of changes that we implemented in the Economic Census. Because we conduct an Economic Census every five years we baseline and benchmark all the industries and geographies back to the previous Economic Census, and when we conduct the Economic Census is when we implement, in our Economic Programs area at the Census Bureau all of the changes that have occurred over time in that five year period. Those changes include things like geography changes. I know many of us probably think that the boundaries of counties, the counties that maybe we live in, don't change and you'd be for the most part pretty much right. Our county boundaries typically don't change that often, but they do change. You can have annexations or de-annexations that affect county boundaries, but that is definitely not the case when we talk about those places that Angelo mentioned.

I always tell users whenever you are comparing data over time, whether those data are from the Economic Census comparing 2012 to 2017 for example, or whether those are from other Census Bureau business surveys, or whether those are even from non-Census Bureau data sources, I always encourage people before you compare data over time make sure the thing you're comparing is comparable. Because the boundaries of places can change, cities and towns can annex neighboring areas of unincorporated land, they can have maybe a river changes course during a flood and now changes the boundary of that particular town or that city, those boundaries change all the time and we provide a lot of resources at the Census Bureau that help people understand those boundaries.

Now in terms of our sector-based data, the North American Industry Classification System also changes every five years, and in a few minutes we'll talk about some of the changes that have been implemented for the 2017 NAICS system. For this census we are also changing how we publish our product lines data, those really cool products and services statistics that Angelo talked about. We are now going to be publishing data on the North American Product Classification System or NAPCS codes. This is a whole new way of looking at the products and services that we produce and it actually will make it a lot easier for users to combine and compare the product lines across industries.

For example, if I was interested in shoes and I was interested in shoe manufacturing and shoe wholesalers and shoe stores and shoe repair facilities, in the past I would have had to pull the product data for those four sectors, those four industries, from four different places. The data were not consolidated, and pulling them together could be really challenging for some users. Under the NAPCS products, those product lines for all of those industries will be merged together into one large consolidated table that will make comparing data for

things like shoes across industries much easier.

Now of course there are some other changes that we're implementing in the 2017 Economic Census. We have added and dropped a couple of Miscellaneous Subjects tables. We'll talk about that at the end. We certainly have switched to the brand new data.census.gov dissemination platform that Angelo mentioned earlier. But the one I want to focus on here is that we've had some changes to the disclosure rules that we use when we actually tabulate and publish our data.

The Census Bureau is bound by Title 13 of the U.S. Code to protect the privacy of businesses who respond to our surveys. For example, if Angelo and I owned the only two gas stations in the town that we live in, if the Census Bureau were to publish data on gas stations in our little town, Angelo could actually subtract his employment and his payroll and his sales from the total and know exactly what a cheapskate I am, know exactly how much I pay my employees, know exactly what my sales are. That would be a clear violation of my privacy. So we go through extreme ends to protect the privacy of those businesses by suppressing data any time one would be able to identify those businesses from the published statistics.

Now for 2017 Economic Census those disclosure rules and the organizations that helped supply them to us have changed, and there are going to be some impacts to you all. What I will advise is that whenever you are looking at our data I always recommend people start off with the more aggregated NAICS codes and the more aggregated geographies and then drill your way down to the more detailed industries.

So for example, maybe I'll start off by looking at retail trade in Maryland and then I'll start looking at automobile and parts dealers as an industry within a

particular county in Maryland, and then I'll drill down from that county down to a particular city or town in Maryland. The more aggregated the industry and geography the less chance you're going to have a few suppressions whereas when you get to the more detailed industries, like down to the six-digit NAICS codes, even in a sector like retail that has more than a million establishments, you will definitely find small towns across the United States where we have had to suppress the data for that industry.

This is sort of the bummer portion of this presentation, but I wanted to point it out because it is very important. At the Census Bureau we take this privacy very, very seriously. There are substantial jail term and fines for Census employees that violate Title 13, so there is an impact to our users and I just wanted to kind of point that out.

Now in terms of those NAICS changes, this slide provides a little bit of background about the history of the NAICS classification system. I want to quickly just talk about those changes. The changes for 2017 are limited to six sectors. Three of them are listed here, mining, manufacturing, and retail, and the next three are listed on this slide, the information sector, real estate & rental and leasing, and the professional, scientific, and technical services sector.

Now when you look at these changes you can see they're grouped into a couple of different categories. For the retail sector, you can see that we have actually moved around some activities that used to be classified as a discount department store versus a warehouse club. So for example, if you have a store, a discount department store, that sells a fairly insignificant amount of perishable groceries, grocery sales, that business would continue to be classified as a department store. But if that business sold a significant amount of perishable groceries, that activity that used to be classified in NAICS 452112 would now be moved into the warehouse clubs and supercenters industry 452311.

So usually when we make these NAICS changes we change the code, so that is a way to be alerted to the fact as a data user that there's been some type of change, but if I looked at just the title of that industry, warehouse clubs and supercenters, I would not know that that industry actually had some content change, that there were businesses that previously used to be classified as a discount department store that are now being classified as a warehouse club or supercenter because of that significant amount of perishable grocery sales. So it's, again, very important to understand those classification changes.

In the retail sector, you can also see that we've taken the codes for electronic shopping, electronic auctions, and mail-order houses, and those three activities are now consolidated into a single code called electronic shopping and mail-order houses. Often when we consolidate codes it's due to decline in an industry.

An example of that would be in the manufacturing sector. We don't make very many cooking appliances, refrigerators, laundry equipment, or other kinds of household appliances in the U.S. anymore, so those four industries were getting harder and harder for us to publish the detailed data for because of privacy. Now we've consolidated those four industries together into one industry. In this case the electronic shopping, auctions and mail-order houses, maybe we haven't seen a decline there, but the players in those industries may have changed and now some of those same businesses that offer electronic shopping also provide mail-order services, so that's why we've consolidated those three industries into one.

Now you will notice on these two slides that NAICS 42 Wholesale Trade was not listed. There are no changes to this particular sector -- the 2017 economic census. So comparisons back to (inaudible) are completely possible. And even

when you're comparing 2012 NAICS back to 2007 NAICS there were a couple of changes in the wholesale trade sector, but (inaudible) are also comparable. So again I would encourage you all when you're doing comparisons of these industry data over time to please check out our NAICS website where you can learn more about these changes. Again we've included the link to the site on this slide.

And as Angelo pointed out these materials will be made available to you after the presentation. So getting back to where we can go to access the data Angelo pointed out that data.census.gov is the main place that you are going to need to go to access these data. If you are not already familiar with data.census.gov if you are as some of us including me still sort of bemoaning the loss of American fact finder I will tell you that it's time to get over it.

We do have some great training materials on data.census.gov and I would encourage all to check those out. Econ Census data will also be added to Quickfacts which is one of our most popular data tools on the Census Bureau's website and finally as Angelo pointed out we will be adding the Economic Census local area data to census business builder in the version 3.0 release that comes out in July. As we have been releasing these data we've also been putting out announcements about those releases in social media.

And when we were thinking about how to get the word out about the release of data one of my colleagues said Andy why don't we do some fun facts about the economic census. Just a couple of key statistics at the industry or sector level by state that would make people sort of -- learn something interesting.

So what you're looking at are the fun facts that we released already for the retail and wholesale sectors in Delaware and in Tennessee. I would love to take credit for the choice of the 50 state quarters as the image that we have on these little

fun facts. I would be wrong in taking that credit. My colleague Cory actually came up with this idea and I personally really love these 50 state quarters. We have fun facts for these two sector available for Maine, Maryland, New Hampshire, Oregon, South Carolina, Utah and West Virginia. And in choosing the sector that we wanted to highlight in a particular state we tried to choose the sectors where that sector was the top employer or the top revenue or the top in terms of numbers of businesses. So as you can imagine there are a lot of states where retail or wholesaling is considered the largest sector.

If you want to see the whole list of all of these they are available in our visualizations library. You can see the links to that library in the upper right-hand corner of the slide and about three months ago I wrote kind of a fun America Counts story about how the economic census measures the changing U.S. economy. The link to that is in the bottom left-hand corner. So let's now dive into some numbers. Since I'm sure many of you are probably really intrigued just to look at how important these sectors are. So what we're looking at here on this slide right now is a distribution -- a display of the sales data by 3-digit NAICS code or what we call sub-sectors for both the wholesale trade sector and the retail trade sector. The three sets of bars on the left is wholesale, the other bars on the right is retail, and as you can clearly see from that slide that we talked about earlier, the wholesale trade sector has huge sales numbers.

Compare the data between 2012 and 2017. Economic census in the durable good sector. The wholesalers of durable goods. That sector is up 491.9 billion dollars to the 3.6 trillion that it is in 2017. And the non-durable goods is up 193 billion dollars to about 4.3 trillion dollars. So pretty big dollars. Real big growth. Looking at the retail changes between 2012 and 2017 that very first pair of industries, of bars motor vehicle and parts dealers that the subsector that saw the largest increase up about 303.5 billion dollars between 2012 and 2017. The second ranked sector or subsector in terms sales is the very last pair of bars

non-store retailers.

Now when I say the word non-store retailers what many of you are thinking is correct. These are online retailers. So it probably should not surprise us that we've had this big increase. . I'm actually really intrigued to look at how this industry has continued to grow since the 2007 economic census into 2008 and going to 2020. Certainly (inaudible) COVID many of us who have been stuck at home have become frequent abusers. Some would argue of Amazon and maybe spend way too much of our household income on shopping on Amazon.com. I would certainly fall into that category.

In terms of employment by these same subsectors you can see that the picture is a little bit different. There certainly are some pretty big employer sectors, merchant wholesalers, durable goods and non-durable goods are huge employers as are food and beverage stores. Food and beverage stores employ about 3.2 million employees in 2017 followed by general merchandise stores of about 2.8 million employees. Looking at the change in employment between 2012 and 2017 every one of these sectors saw an increase except for one and that is the electronics and appliance store sector.

You can see these bars over here declined down to 338,000 employees in 2017. You can probably think of a lot of the electronics stores that used to be in your communities that now aren't there that have closed because a lot of us do our shopping of electronics online. And a lot of us actually buy appliances not necessarily from an appliance store but maybe from another type of retailer. Like a building material and garden equipment and supply dealer.

Those are the type of businesses that often many of us buy appliances at. Those appliance stores have seen a decline in their employment over this five year period. Looking at the average annual payroll per employee of the same sector

you can see that the wholesale trade sector is actually a pretty good sector in terms of its payroll. If you work for a merchant wholesaler that wholesales durable goods on average you'd be earning about $69,064 per year. That's quite a bit above the national average for all industries of about 52,300 dollars. In fact you can see that the only wholesale subsector that's lower than the national average is the electronic markets and agents and brokers sector at, $46,000.

In comparison on the retail side every one of the retail subsectors has a average annual payroll per employee below the national average. The two that have the highest are motor vehicle and parts dealers. These are the track autos and those kind of businesses in your local communities and finally that ever popular non-store retailers. One quick point that I want to make. Whenever we're looking at payroll data and specifically average annual payroll per data per employee is the following point.

And that is that in the economic census we ask businesses to report how many employees they have and what their total payrolls are. But we do not ask those businesses to adjust that employment data or those payroll data for whether or not those workers are fulltime or part time. In many of these retail industries the workers in that industry don't work a full time schedule. They are not working a traditional 40 hour a week schedule.

So when you look at the average annual payroll per employee many of you may be saying, “oh my goodness how is anybody who works at a clothing and clothing accessories store surviving on an average of $17,918 per year as their average annual payroll.” The reason why they are doing it, surviving if you will is because they probably have another job. This is a part time job for them. They are not working a full time hours for these types of businesses and maybe have a second job or a third job that they use to supplement their income. So when we've been thinking about the impact of a lot of these workers during the

COVID-19 crisis the fact that many of these employees are already earning less, but are also working fewer hours is kind of a double whammy for them.

So just a quick point that we do not adjust our payroll data and our employment data to full time equivalents. Now let's now talk about another interesting thing that is published in the wholesale trade data. And that is that we publish data by type of operation. This is one of the unique dimensions that is published in the wholesale trade sector. The orange bar at the top are for manufacturer's sales branches and offices and the blue bar is for merchant wholesalers except manufacturer's sales branches and offices.

And what we're talking about here are how that wholesaler operates in terms of the products that they are selling. The blue bar is for wholesalers that -- wholesale products that they own. They are the owner of that particular product. They have purchased that product from let's say a manufacturer, or maybe an importer and they then wholesale those products to retailers. Manufacturer's sales branches and sales offices basically though, are those types of businesses that act as an intermediary for the manufacturer. The manufacturer actually still own if you will those products and this wholesale operation is an arm of that larger corporation -- that manufacturing corporation.

And you can see that we have that data broken out for both merchant wholesalers of durable goods and nondurable goods. And this break out is also available not only at the three digit NAICS code that we have here but at the four, five and six digit NAICS code break outs as well. And I think if we looked at even more detailed industries we would see that this distribution of manufacturers' sales branches and offices versus merchant wholesalers except manufacturers' sales branches and offices that distribution is quite different from industry to industry. And it's sort of a fascinating way to look at how the wholesale trade industry interacts with its suppliers and with its customers.

Now so far we've been looking at data at the national level. And some of you are probably saying, “okay this is all well and good. I need some local data.” So what we're looking at here is some revenue data, some sales data of nondurable goods merchant wholesalers by state. And as you can clearly see of the states that we have published so far California, Illinois and New York clearly lead in terms of wholesale -- nondurable goods merchant wholesalers.

And then you can see the other states in comparison. Now when I first looked at this chart I was really sort of curious to see does the revenue of these businesses by state does it mirror the average annual payroll per employee of those same types of businesses in those same states?

In other words is California not only really big in terms of merchant wholesaling but those merchant wholesalers also pay their employees really well? Or is it different? So the next slide actually looks at average annual payroll per employee on a state by state basis. And as we can see California while it is a pretty well paying in comparison to the state of Delaware and Connecticut, Massachusetts and to New Jersey the average annual payroll per employee for those states is significantly above the average for the state of California. And the key point I want to make here is that this -- looking at this comparison makes me even more want to drill in to the types of wholesale businesses that are in these states. Is it maybe the mixture of wholesale businesses in New Jersey that explains why they pay their employees so high or not.

So it's a really fascinating exploration and again a point I want to make is throughout the presentation today I'm going to be focusing on state and national level data at these broader sector and sub-sector break outs, but I would very much encourage you all to check out the more detailed data. Because I think

when you then look at things like wholesale trade in the state of New Jersey you're going to see that not only is this picture very different from industry to industry, but it's also very different by geography. There are some parts of northern new Jersey where wholesaling is like the biggest industry in that state and in that area. And other areas of New Jersey where it's not as dominant.

So we publish the data in the Economic Census not only at the national and state level but also by metro, by county and by place. So, I would really encourage you guys to check this out. It's a very sort of fascinating comparison here. Now because California was so big I decided to look at the wholesale trade sector in California. But instead of just looking at those broad two or three-digit NAICS code categories at the broad sector or sub-sector level, what I decided to do here was drill down to industry groups which are four digit NAICS codes.

So you can see there's a couple of industry groups within wholesale trade that really stand out. The first bar is motor vehicle and motor vehicle parts and supplies. Then one of the other bars over here -- this bar here that's 152 billion dollars (inaudible) that's household appliances and electrical and electronic wholesalers. This bar over here is for drugs and druggists' sundries. (Inaudible) wholesalers and finally this other really high bar here with 145 billion dollars is grocery wholesalers.

So we published this broad level of detail and you can see in the state of California within the wholesale sector there's definitely some industries within there that are much more dominant in terms of their sales than others. So that pretty much summarizes the local area data that I wanted to talk about as part of the economic census.

I want to now turn it back over to my colleague Angelo so he can talk a little bit

about what's coming up next after we release the local area data for the economic census and then he'll close it out and actually we'll start taking some questions both via the chat and via the phone. So Angelo back to you.

Angelo: Thanks, Andy. To give a little preview of what's coming up down the road, we have a few releases we want to point out. In November we're publishing like Andy was talking about earlier the North American product classification system or NAPCS data. That includes the product line data that we talked about earlier. And, it will enable you to combine data and prepare product data across industries. Prior to NAPCS you would have had to go and access multiple sources to get that information.

NAPCS will allow you to access everything from a single source. The NAPCS website has a wealth of information and we've provided the link for you here in the slide. . After NAPCS we will start releasing publications on the establishment and firm size reports including data on revenue and establishment size, franchise statuses and more.

Finally from November 2020 through September 2021 we will release miscellaneous subjects data. And in this release we combine class of customer enterprise support and exported services releases. Let me go to that last slide there. So in summary -- to summarize the economic census is our most comprehensive survey of business data. If you'd like to learn more I encourage you to check out the website that can be accessed by the link provided here. Data is released on a flow basis across two years. And all states and sectors will be complete by this August.

So, again here's the link for our release schedule. NAICS updates occur on a five year cycle. It’s a good idea to check out this link from time to time to make sure there were no geographic or other changes in NAICS and data is now live

on our new platform as Andy and I both mentioned earlier data.census.gov that replaced the American FactFinder which you can no longer access – it has been sunsetted. Data is always being released and you can visit the census bureau home page at census.gov to stay current with what we have coming up.

And I think with that Andy unless there's anything that you'd like to add we can open up the lines for questions.

Andrew Hait: No, I think that's great. Thank you again Angelo for helping and doing this. I think this is an interesting exploration. Operator, if you would like to open the lines up for people to submit their questions -- while we are waiting for you all to queue up, one of my colleagues, Earlene Dowell, has been monitoring the chat. So she'll be actually reading back a couple of the questions that came in via chat. And I'll also mention that I have a couple of my subject matter experts from our division that actually publish these raw data. They're the ones the analysts that are actually in there reviewing the data.
So if there's any specific data questions that you all have you have three of my colleagues ready and excited to take any questions. So with that operator let's go ahead and see if you have any questions.

Coordinator: Thank you. We will now begin the question and answer session. To ask your question please press star followed by 1. Please ensure that your phone is unmuted and record your name clearly when prompted. You are allowed one question and one follow up question. If you want to withdraw your request please press Star 2. One moment please while the questions come in.

Earlene Dowell: Okay, this is Earlene. Some of the questions that came in on the chat. Andy one is regarding the selected findings Slide 17 how do they access the 2012 data to conduct a comparison like this?

Andrew Hait: Yes, great question Earlene and I'm glad someone asked it because I completely forgot to mention that. So when we migrated our data over to the brand new data.census.gov platform we have migrated -- we are releasing not only the new 2017 economic census data, but we're also -- we've also migrated over the 2012 economic census data. So when you want to do those comparisons as I did, you can easily go in and choose the industry, choose the geography you're interested in and then from the menu of datasets, choose the 2017 data to pull the latest information and then pull 2012 data from that same menu.

The new platform is pretty nice in that allows you to see both the current vintage and the prior. I will also mention that if you were interested in comparisons prior to 2012. For example if you wanted to go back to the 2007 economic census and do sort of a 15 year comparison from '07 to '17 (inaudible) 10 year comparison, the 2007 data are not currently available in data.census.gov but they are available in our census bureau data API and they are also available for download using our FTP service. . So I know FTP is such an old technology to many of us but we still rely on it. And I would say it's a good place to get that 2007 data. So great question Earlene.

Earlene Dowell: Great. And then during the presentation one of our panelists Kate mentioned that worth noting that MSBO sales are for products manufactured in the U.S. by the same company.

Andrew Hait: Right, so what Kate was referring to were those manufacturer sales branches and sales offices. The MSBOs those are as Kate pointed out the information that is for products that are being wholesaled by a manufacturer that's of the same company. So company XYZ makes the good and they then ship it to a wholesaler that is also from company XYZ. And they then wholesale it.

So yea, great clarification, Kate, thank you.

Earlene Dowell: And then another question is there a reason why Arkansas was excluded from the slide listing state and payroll? I ask because it's commonly known that one of the largest wholesalers, Walmart, is HQ in (inaudible) Arkansas.

Andrew Hait: Right. So as I mentioned -- or as Angelo and I both mentioned the data from the economic census -- the local area data come out on a flow basis. They are released state by state. Sector by sector. And we flow out those states for the most part from the west coast to the center of the country and the east coast to the center of the country. When we showed you all that map tool that showed what sectors have been released you might have noticed that there were a couple of sectors in my example of retail trade where we hadn't yet as of this morning released the data for retail trade for that sector.

That is true for Arkansas. We have not yet released the wholesale trade data for the state of Arkansas, but the data are coming. I understand that in the next week or so we'll actually be completing all of those sectors. And then in August when we close out the local area data we'll be releasing the data for mining, construction and manufacturing.

So those three sectors will release all of their data at one time. But yes that's why Arkansas wasn't shown. Your question also raises a really interesting point that when you look at the comparison of data between 2012 and 2017 and you see big changes in a particular industry or a particular geography, sometimes those changes are due to general growth across multiple businesses in an industry. You have general growth.

Healthcare businesses across all counties and all states are growing maybe not uniformally but they're all growing. So that increase in the healthcare sector in the U.S. has happened all over the place. And every once in a while you also

notice changes where there's a big increase or a big decrease in a particular industry and where that increase or decrease can be in many ways attributed to a much smaller number of businesses.

Those privacy laws that we have to abide by prevents us from publishing data that identifies individual companies so I can't name any particular companies that showed big increases or decreases. But often that local knowledge that you have of your local communities can be very useful to you when you're trying to make sense of big changes that you may be seeing in a particular industry. So that was a great question. Thank you.

Earlene Dowell: Another question is the only year currently available to select for Wisconsin is 2017. When will the 2012 data be migrated?

Andrew Hait: So I would love to say the day is coming soon. The data is actually there so the fact that you're not able to access to see the 2012 Wisconsin data does make me wonder if something was going on during your query when you were trying to access it. So what I would encourage you to do is send me an email. My email address is here on the slide. andrew.w.hait@census.gov or just give me a call and we can walk through the extraction together.

I suspect that there was probably something that happened during the extraction of geography or the industry you were choosing that prevented you from seeing the data for '17 and for 2012. But yes we can certainly walk through that together.

Earlene Dowell: And one more question. Discount department stores with significant sales of perishable food items are now classified with club super centers. Define significant sales.

Andrew Hait: So when we talk about significance we're talking about the share of their sales that are in a particular category. How they are defining significance in this particular example I honestly don't know the answer to that question. I might actually turn to one of my colleagues here from our subject matter area who might know what to define as significant. What I would certainly say is check out the NAICS website because I'm fairly certain that that definition of what constitutes a significant perishable good sales is probably defined there. Every time we change the NAICS classification system, there's an entire process of doing an announcement in federal register floating out theseproposed changes for comment with both data users and respondents to our surveys to make sure that the changes that are being proposed could -- is actually going to be reportable to the businesses.

So there's a pretty involved process to do that. And I'm fairly certain that's going to be well documented on the NAICS website. So yes, that's what I would recommend. Any of my colleagues maybe from Census have any thoughts on what's defined as significant?

John Noggle: Andy, this is John Noggle in the retail trade branch.

Andrew Hait: Yes, thanks (John).

John Noggle: Yes, it is -- a lot of it is just kind of analyst judgement, but we typically think of the stores that are selling a minimal – that have historically been known as discount department stores that are selling a minimal amount of perishable food. That would maybe only be selling this stuff at the checkouts. I don't want to throw out a number but I'm going to, but generally if these stores are selling greater than 20% of their sales from food products then they would go into significance. So the 15 to 20% is kind of that number.

Andrew Hait: Yes, that's great John. Thanks.

John Noggle: Yes.

Earlene Dowell: There are no more questions on the chat.

Andrew Hait: I actually did see one thing that popped up while we were going. Someone asked a question about franchising and when did we start publishing data on franchising? The answer is 2012 -- excuse me -- 2007 economic census. Up until the 2007 economic census, we had not published detailed information across multiple industries on franchising and one of our organizations -- an association that we worked very closely with -- was very interested in us getting some detailed information on the franchising industries to understand how franchise restaurants compared to non-franchise restaurants.

Are these restaurants, do they tend to be more productive or lower productive? Do they pay their employees more or do they pay their employees less? Do they generate more or less revenue? So that sort of franchised, non-franchised comparison was born in the 2007 economic census. That was the first year that we collected that.

For 2012 economic census, we did it again. And, again really publishing that franchise breakout in 2017. I would definitely encourage you guys to check that out when those data are released. Those are going to be part of those establishment and firm size reports that (Angelo) mentioned and the franchise data is really fascinating. I will throw myself under the bus. I was actually the person who was responsible for that report for the 2007 economic census. Some of my other colleagues then took it over for me for the 2012 census. But it's a really interesting breakout.

And the last point I'll make about it is that there are a lot of industries -- there's over 300 industries that we publish data on franchising on -- that you wouldn't automatically think of as being engaged in franchising. For example, sign manufacturers happens to be an industry where there is actual franchise opportunities. We publish data on sign manufacturing as a franchise industry. I would have never have thought in all my life that that would possibly be engaged in the franchising we all typically think of fast food when we think of franchising. But it's actually scattered across 12 of the 18 sectors of the US economy have some type of franchise activity in them. So great question.

Let's turn it over for some questions on the phone. Thank you, all, for being so patient.

Coordinator: We do have a question over the phone. Your line is now open.

Caller 1: Good afternoon. I really appreciate you guys. I'm actually a census analyst in Philadelphia, waiting due to COVID not able to do our job. But I really appreciate the fun facts that you added to this. I'm trying to get my community to open up to data and the Census Bureau being a part of it, so different opportunities opened up in my community and this has been very enlightening about wholesale. And I wanted to know how can I get my community and younger community to be fired up. They really like investing now on Robin Hood app these young kids, they are taking their little change and investing. i. And they really just need a direction to point them to, to not get them bogged down to something that they can actually benefit from.

Andrew Hait: Yeah. So thanks for the great comments. What I'll say is when I do outreach and marketing with local area users about the demographic and the business data we publish at census and I'm trying to get people sort of excited about the statistics and about what they can do with it, one thing I like to focus on is

entrepreneurship.

And when you think about the typical entrepreneur, helping them make an informed decision about their business -- the business that they're considering opening -- is very, very important. When I think about the businesses that have been being impacted by the COVID-19 crisis, I would say as an economist that businesses that truly understood their markets, that use data to drive the decisions that they were making in their businesses -- including Census Bureau demographic data about their customers and business data about their industry -- those types of businesses -- excuse me -- tended to be impacted less than businesses that don't make those kinds of informed decisions.

I'll give you an example. In my local community of two restaurants that I personally know the owners very well. One is a restaurant that has historically only sort of believed that the only customers that they care about -- that's maybe a little bit harsh -- but the customers they care most about are customers that come to their restaurant in person -- that dined there, that enjoy their company, et cetera.

The other restaurant, the family that owns it, their daughter -- who graduated from Temple University in Philadelphia -- came back after graduation and went to go work with her family as having been a marketing major and she knew about the demographic and business data that we have with the Census Bureau because she actually used to play soccer for me ages ago back when I was young. And she said, you know, mom and dad, there's a lot of people in this community where the business is located that don't get home from work until 6:30, 7:00. The D.C. area traffic is horrid and these people are tired and they probably don't want to come to our restaurant after working a full day. You know, if they want to come to our restaurant, they want to take the food to go.

So that restaurant had been providing delivery and carry-out service for three years prior to this pandemic hitting. When the pandemic hit, they were already established in that sort of way of delivering food to their customers. So yes, they certainly were impacted by this pandemic, but their impact was not nearly as great as the other restaurant where they hadn't been providing carry-out and delivery service. And, adopting that, sort of being a late adopter to that technology, they had some real growing pains. I would tell you the three times that I ordered food from there, all three times they messed up my order and it made me very sad. I really love their food. It made me really think about whether I wanted to go there anymore.

So helping - encouraging folks to be number one, aware of the data we have, but also helping them understand how they can use that data to make really strong informed decisions with their businesses in their communities I think is a great way to sort of build that rapport with folks in our local areas. Hopefully others on the phone agree with - with my assessment. But, yeah, it's a really interesting way to get folks engaged with our data.

(Caller 1): Thank you.

Andrew Hait: You're welcome. Are there any other questions?

Coordinator: No further questions on the phone at this time.

Andrew Hait: Okay. Earlene, did you see anything else that came into the chat that we didn't catch?

Earlene: There was one at the beginning and it was regarding whether the information was from small business.

Andrew Hait: Right. So, when (Angelo) and I both made the point that the economic census covers employer businesses only, by definition, all non-employers are small. But even for the employer businesses, yes, we do actually have small businesses in our employer data products. You can probably think of the local gas station in your town that might have three or four or five employees and they are employed. They are - these are not independent contractors. These are employees of that gas station.

Yes, we do publish data we include in our surveys, data on those small businesses. And actually, if you are interested in looking at the distribution of employment and payroll and number of establishments and sales by employment size or by sales size that helps you understand the importance of those small businesses, those are those establishment and firm size reports that (Angelo) mentioned.

Will start coming out in November. We publish data on business size in a number of programs -- the Census Bureau, including the economic census -- but the economic census is really comprehensive. We have it broken out by both employment size and revenue size, and we have it broken out by establishment size and firm size -- so firm being sort of a company. So, yeah, there's a lot of great information that really helps highlight the importance of small employers in our communities. Any other questions?

Woman: (Unintelligible) no further questions.

Andrew Hait: Okay. Well, again, thank you all so much for taking time out of your busy schedules to attend the webinar today. Again, I would encourage you all to check out that Census Academy site to access the recordings of not only this presentation but also those previous ones. And again, I would encourage you all

to look at that Census Academy site to see about the remaining webinars that we are doing. So with that, thank you so much and have a great afternoon.